proposed to be used as a standardised design for future units and incorporates the latest safety feature as per current international practices. The experience gained at Narora is being utilised to reduce the gestation period and improve reliability of future nuclear power plants.

D.M. loan availed by the Hindustan aeronautics Limited

1725. SHRI BHAGATRAM MANHAR: Will the Minister of DEFENCE be pleased to state·

(a) whether it is a fact that the HAL has availed of D.M. loan of 105 million;

(b) if so, what were the terms of the loan and how much amount has been drawn so far;

(c) whether the HAL has availed of forward trading also, in view of the increase in the value of D.M.; and

(d) if so, what are the details thereof and what savings were effected due to this forward trading?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI CHINTAMANI PANIGRAHI): (a) Yes, Sir.

(b) The loan carries an interest rate of 9.125 per cent per annum (Fixed) and is repayable in 13 equal half yearly instalments commencing from 30th September 1987. In addition, a management fee of 0.375 per cent (flat on loan amount) an agency fee of DM 10,000 per annum and actual out of pocket expenses subject to a ceiling of DM 25,000 are also payable. M|s. HAL have since drawn the entire amount of loan.

(c) Yes, Sir.

(d) M/s. HAL avails the benefit of forward trading on the advice of their bankers which has resulted in savings in this case. The details are as under:—

Rupee value payable at spot rates on dates of payment	Rupee value paid as terms of forward Per contract	Savings
(Rs.)	(Rs.)	(Rs.)
3,46,73,256	3,37,63,597	(+)9,09,659
9,26,79,964	9,02,25,728	(+)24,54,236
4,92,18,750	4,89,32,038	(+)2,86,712

Cost escalation of Narora Atomic Power Plant

1726. SHRI CHIMANBHAI MEHTA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the cost of Narora Atomic Power Project has gone up from Rs. 209 crores to Rs. 532 crores and is likely to go beyond;

(b) whether the site for the project was chosen in a highly earthquake prone zone; and

(c) when the project was sanctioned and by when it is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) The original cost estimate of Rs. 209.89 crores for the 2 Units each of 235 MWe at Narora Atomic Power Plant has gone upto Rs. 532.85 crores as per the latest revised cost estimate which is under approval. All efforts are being made to contain the cost as per the revised estimated cost.

(b) The Narora site is located in an area of moderate seismicity. Seismic zones in